FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

18 OCT 1993

IN REPLY REFER TO:

CN9303978

Honorable Charles S. Robb United States Senate

SR-493 Russell Senate Office Bldq.

Washington, DC 20510

Dear Senator Robb:

This responds to your letter of September 28, 1993, addressing the 2-GHz Personal Communications Services (PCS) proceeding, GEN Docke Your constituent, Charles Anderson, Jr., Senior vice resident of Systems Engineering and Management Associates, Inc., expresses support for a PCS licensing structure that provides national licenses and a 40 MHz bandwidth allocation.

On September 23, 1993, the Commission adopted final rules to govern PCS. The Commission allocated a total of 120 megahertz of spectrum for licensed PCS and adopted licensing areas based upon Basic Trading Areas (BTAs) and Major Trading Areas (MTAs); 60 megahertz of spectrum were allocated for BTAs and 60 megahertz for MTAs. The Commission's decision permits non-cellular PCS licensees to aggregate up to 40 megahertz of spectrum. Licensees will be restricted to 10 megahertz in any PCS service area in which they own twenty or more percent of the stock in a cellular company, if the cellular company serves 10 or more percent of the population of the PCS service area. Local exchange carriers are permitted to apply for PCS licenses on the same basis as other applicants, except insofar as they hold interests in cellular operations. In a companion Notice of Proposed Rule Making, implementing competitive bidding authority, PP Docket No. 93-253, the Commission proposed licensing preferences in one 20 megahertz and one 10 megahertz frequency block for rural telephone companies, small businesses, and businesses owned by minorities and women.

The Commission's decisions addressing PCS are designed to foster competition among PCS providers and between PCS providers and cellular radio operators and to ensure expeditious provision of

PCS in both urban and rural areas. I am attaching the press releases for the dockets addressed above that more fully describe the Commission's actions.

Sincerely,

Thomas P. Stanley Chief Engineer

Enclosures

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September 28, 1993

The Honorable James H. Quello Federal Communications Commission 1919 M Street, Northwest Washington, D.C. 20554

Dear Commissioner Quello:

My office has been contacted by Mr. Charles Anderson, Jr. of Alexandria, Virginia, expressing concern about radio frequencies and the market structure for new Personal Communications Services. I am enclosing copies of the correspondence I have received.

I would appreciate it very much if you could review this information as you prepare your regulations in this area. Many thanks for your consideration.

Sincerely

Charles S. Robb

CSR/tmh



Systems Engineering and Management Associates, Inc.

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August 24, 1993

The Honorable Charles S. Robb United States Senate SR-493 Russell Senate Office Building Washington, DC 20510

Dear Senator Robb:

In a few weeks, the Federal Communications Commission (FCC) will determine the radio frequencies and the market structure for new Personal Communications Services (PCS). Among the critical decisions the FCC will make is whether to designate a block of frequencies as a national license and, if so, whether that frequency block will be 40 MHz or 20 MHz in bandwidth.

Systems Engineering and Management Associates (SEMA), Inc., supports the concept of a national license and a 40 MHz bandwidth allocation. The benefits of a national licensing scheme include the FCC's stated objectives and include rapid and evenhanded deployment among urban and rural areas, nationwide coverage and compatibility, as well as economies of scale which will permit the fullest range of features and network functions to be brought to the public at the lowest cost.

A national PCS license would also contribute to competition in mobile services, particularly in view of both recent acquisitions in the cellular industry and GAO studies questioning whether the cellular market is truly competitive. We therefore also support limitations on the ability of cellular companies serving more than 5% of the national's population to hold PCS licenses.

None of this will be possible unless the FCC adopts a national licensing scheme and ensures that national licensees are given sufficient bandwidth on which to operate. The spectrum allocated to PCS is currently occupied with existing users and is particularly congested in many urban areas. An allocation of 40 MHz to the national licensee would permit it to circumvent the congestion and still provide an adequate level of service across the country.

In order to pursue these goals, SEMA, Inc. has joined a national PCS consortium with MCI Communications Corporation and over 150 other companies. We believe the consortium approach combined with a national license insures the realization of the

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important goals for PCS licensing set forth by the Congress in the recent reconciliation package. Our consortium will stress local ownership and management in each market and provides for inclusion of small businesses, minority and female owned businesses as well as rural interests.

We hope that as the FCC deliberates on these important issues, you will be in favor of both national licensing and a 40 MHz bandwidth allocation known to the Commission.

Sincerely,

Systems Engineering and Management Associates (SEMA), Inc.

Charles Anderson, Jr. Senior Vice President

CA/kgt

cc: Chairman James H. Quello, FCC

Commissioner Andrew C. Barrett, FCC Commissioner Ervin S. Duggan, FCC